

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
FRANCHISE GROUP, INC., <i>et al.</i> , ¹)	Case No. 24-12480 (LSS)
)	
Debtors.)	(Jointly Administered)
)	Re: Docket No. 1283 and 1293

VENTURA GATEWAY'S OBJECTION AND RESERVATION OF RIGHTS TO DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING FRANCHISE GROUP INTERMEDIATE V, LLC TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THE ASSET PURCHASE AGREEMENT, (II) APPROVING THE SALE OF CERTAIN ASSETS FREE AND CLEAR OF ALL CLAIMS, LIENS, RIGHTS, INTERESTS, AND ENCUMBRANCES, (III) APPROVING THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (IV) GRANTING RELATED RELIEF

Ventura Gateway LLC (“Ventura Gateway”), by and through undersigned counsel, hereby files this objection and reservation of rights (“Objection”) to the *Debtors’ Motion for Entry of an Order (I) Authorizing Franchise Group Intermediate V, LLC to Enter Into and Perform Its Obligations Under the Asset Purchase Agreement, (II) Approving the Sale of Certain Assets Free*

1 The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

and Clear of All Claims, Liens, Rights, Interests, and Encumbrances, (III) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief (the “Motion”) [Doc. No. 1283].² In support of its Objection, Ventura Gateway states as follows:

BACKGROUND

1. On November 3, 2024 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”) with the Court. [Doc. No. 1]. On November 5, 2024, this Court entered an order approving the joint administration of the Chapter 11 Cases. [Doc. No 38].

A. Ventura Gateway’s relationship with the Debtors.

2. Ventura, as landlord, and Debtor, The Vitamin Shoppe Industries, LLC, formerly known as, The Vitamin Shoppe Industries, Inc. d/b/a The Vitamin Shoppe, are parties to that certain lease dated December 30, 2002 (together with all supplements, amendments, assignments and related documents, the “Ventura Lease”), pursuant to which Landlord has leased to Tenant a portion of that certain real property having an address of 4860 Telephone Road, Suite 100, City of San Buenaventura, County of Ventura, California, and commonly known as the “Ventura Gateway Shopping Center,” as more particularly described in the Ventura Lease.

B. The Proposed Sale.

3. On December 16, 2024, the Court entered a bidding procedures order [Doc. No. 444] (the “Order”) authorizing the Debtors to conduct a bid process and auction for the Debtors’ assets. As of February 3, 2025, no qualified bids were submitted. On February 12, 2025, the

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Debtors filed a Notice of Cancellation of Auction [Doc. No. 961] cancelling any potential auction and adjourning any potential sale hearing indefinitely.

4. On or about April 16, 2025, the Debtor filed the Motion, which requests authorization of the assumption and assignment of the Purchased Leases. The Ventura Lease is listed on the Schedule 1 of the proposed Sale Order which was attached to the Motion as Exhibit “A” (“Schedule 1”). The Ventura Lease is a Purchased Lease, and is listed on Schedule 1 with a cure amount of \$3,389.51.

5. On April 17, 2025, the Debtor filed its Notice of Filing of Amended Schedule 1 to the Sale Order [Doc. No. 1293] (“Amended Schedule 1”). The Ventura Lease is listed on Amended Schedule 1 with a cure amount of \$70.33.

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6. Ventura Gateway objects to the cure amount of \$70.33 as listed in Amended Schedule 1. Ventura Gateway asserts that the proper cure amount is at least \$6,412.63, plus all additional amounts that accrue or fall due prior to the effective date of assumption and assignment.

7. Ventura Gateway has been in contact with the Debtor to resolve the cure amount dispute. However, pending further discussions, Ventura Gateway files this Objection in order to preserve its rights to object to any cure amounts payable under the Ventura Lease.

8. Ventura Gateway reserves the right to supplement this Objection, to assert other objections prior to, or at, the sale hearing. Ventura Gateway also reserves all of its rights or remedies in these bankruptcy cases.

WHEREFORE, for the foregoing reasons, Ventura Gateway respectfully requests that this Court sustain this Objection, as may be supplemented in advance of the hearing.

Dated: April 30, 2025

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